effective rate of customs duty, excluding the CVD and Special Additional Duty (SAD), after the budget would be 27.5% as against 30% prior to the budget.

(b) The reduction in customs duty being marginal, it is not likely to have a significant impact on the manufacturing industry.

(c) Dumping is a distinct issue, having no direct relation to the rate of duty.

RBI Suggestion to State for Borrowing at Competitive Rates

1450. SHRI PRAFULL GORADIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has suggested that State Governments should borrow at competitive rates based on individual strength;

(b) if so, the details thereof; and

(c) the reaction of State Governments thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The market borrowing programme for State Governments is implemented by Reserve Bank of India, in 3 or 4 tranches during the year with the same preannounced coupon rate for all States for the amounts as allotted by Government of India. It was decided in a meeting of all Finance Secretaries of States that the State Governments be offered a facility to raise 5 to 35 per cent of their market borrowing in a flexible manner as regards timing, maturity and rate of interest. Reserve Bank is ascertaining the options of the State Governments regarding the loans to be raised by them through this facility during the year 1999-2000.

Growth Rate of Indian Economy

*1451. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) the rate of growth of Indian economy during the first nine months of the current financial year;

(b) how does it compare with the rate of growth registered during the corresponding months of previous year; and

(c) what steps Government have taken to boost growth rate particularly in the field of industrial production and exports?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) As per the advanced estimates released by CSO, the overall economic growth in terms of Gross Domestic Product (GDP) in 1998-99 is estimated at 5.8 per cent as compared to growth rate of 5 per cent during 1997-98 (Quick Estimates).

(c) The Economic Survey 1998-99 presented to the Parliament few days ago highlights major economic reforms initiated by the Government to provide stimulus to the economic growth in general and industrial and exports growth in particular. Further, Union Budget 1999-2000 also announced number of measures to restore the momentum of industrial growth, to boost investment particularly in the infrastructure sectors and to revitalise exports.

Credit Deposit ratio of Scheduled Commercial Banks in West Bengal

1452. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) the overall Credit Deposit (CD) ratio of Scheduled Commercial Banks in West Bengal;

(b) whether United Bank of India (UBI) has the lowest CD ratio as on September 1998; if so, the actual CD ratio of UBI as on September 1998 and the reason for the low CD ratio;

(c) the CD ratio of UBI in rural, semi-urban and metro areas; and

(d) the steps taken to increase CD ratio of UBI in West Bengal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHANAN): (a) The Credit Deposit (CD) Ratio of all Scheduled Commercial Banks in West Bengal as at the end of September, 1998 was 44.3 per cent.

(b) Among the public sector banks, Corporation Bank had lowest CD ratio of 19 per cent and United Bank of India had 26 per cent in West Bengal as at the end of September 1998.

The flow of credit in a State/Region depends upon various factors like availability of adequate infrastructural facilities, credit absorption capacity of the region, development of medium and large industries, properly developed marketing facilities,, conducive atmosphere for investment, entrepreneurial initiatives, law and order situation in the region, satisfactory recovery position of banks dues, etc. United bank of India has reported that the poor rate of recovery in the agriculture sector hinders the bank's ability to extend credit in West Bengal.

(c) The CD ratio of United Bank of India in rural, semi-urban, urban and metropolitan areas of West Bengal were 20.9 per cent, 13.6 per cent, 8. per cent respectively as at the end of September 1998.

(d) United Bank of India has reported that efforts have been made to increase credit of bank in West Bengal which include expeditious disposal of loan applications for Government sponsored schemes particularly Prime Minister's Rozgar Yojana (PMRY) and Self Employment Scheme for Registered Unemployment (SESRU), delegation of discretionary power to Managers for opening of Specialised Small Scale Industries (SSI) branches for expeditious disposal of cases and giving emphasis on Housing Loan.

Banking Ombudsman

1453. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the nature of complaints entertained by the Banking Ombudsman created recently by Government;

(b) whether refusal of loans by the Nationalized banks can be referred to the Ombudsman;

(c) whether the decision of the ombudsman is binding on the Banks; and

(d) what are the remedies available to a genuine borrower from a Nationalised Bank when Banks refuse to sanction loans in an arbitary manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHANAN): (a) A Banking Ombudsman appointed by the Reserve Bank of India under the Banking Ombudsmen Scheme 1995 is authorised to look into all complaints concerning deficiency in service provided by the banks. The Banking Ombudsman is also authorised to look into complaints concerning loans and advances only in so far as they relate to:

(i) non-observance of Reserve Bank directives on interest rates.

(ii) delays in sanction/non-observance of prescribed time schedule for disposal of loan applications; and

(iii) non-observance of any other directions or instructions of the Reserve Bank, as may be specified for this purpose, from time to time.

(b) No Sir.